



The Budget and Economic Outlook: Fiscal Years 2004-2013

January 2003

Notes

In the print version of this report, the second, fifth, and sixth columns of numbers in Tables F-12 and F-13 were incorrect. They have been corrected in this version.

Unless otherwise indicated, the years referred to in this report are federal fiscal years, which run from October 1 to September 30.

Numbers in the text and tables may not add up to totals because of rounding.

Some of the figures in Chapter 2 use shaded vertical bars to indicate periods of recession. The bars extend from the peak to the trough of each recession. The end of the most recent recession has not yet been determined by the National Bureau of Economic Research, the organization charged with that duty. CBO has assumed that the recession concluded at the end of calendar year 2001.

Data for real gross domestic product are based on chained 1996 dollars.



Preface

This volume is one of a series of reports on the state of the budget and the economy that the Congressional Budget Office (CBO) issues each year. It satisfies the requirement of section 202(e) of the Congressional Budget Act of 1974 for CBO to submit to the Committees on the Budget periodic reports about fiscal policy and to provide baseline projections of the federal budget. In accordance with CBO's mandate to provide impartial analysis, the report makes no recommendations.

The baseline spending projections were prepared by the staff of CBO's Budget Analysis Division under the supervision of Robert Sunshine, Peter Fontaine, Janet Airis, Thomas Bradley, Kim Cawley, Paul Cullinan, Jeffrey Holland, and Jo Ann Vines. The revenue estimates were prepared by the staff of the Tax Analysis Division under the supervision of Thomas Woodward, Mark Booth, and David Weiner.

The economic outlook presented in Chapter 2 was prepared by the Macroeconomic Analysis Division under the direction of Robert Dennis. John F. Peterson, Robert Arnold, and Brian Mathis carried out the economic forecast and projections. David Brauer, Ufuk Demiroglu, Tracy Foertsch, Douglas Hamilton, Juann Hung, Kim Kowalewski, Mark Lasky, Angelo Mascaro, Shinichi Nishiyama, Benjamin Page, Frank Russek, Robert Shackleton, John Sturrock, and Christopher Williams contributed to the analysis. Tumi Coker, John McMurray, and Brian Mathis provided research assistance.

CBO's Panel of Economic Advisers commented on an early version of the economic forecast underlying this report. Members of the panel are Andrew B. Abel, Michael J. Boskin, Barry P. Bosworth, Robert G. Dederick, William C. Dudley, Martin Feldstein, Robert J. Gordon, Robert E. Hall, N. Gregory Mankiw, Allan Meltzer, William Niskanen, William D. Nordhaus, June E. O'Neill, Rudolph G. Penner, James Poterba, Michael Prell, Robert Reischauer, Alice Rivlin, Joel Slemrod, and Martin B. Zimmerman. Kurt Karl attended the panel's meeting as a guest. Although CBO's outside advisers provided considerable assistance, they are not responsible for the contents of this report.

Jeffrey Holland wrote the summary. Sandy Davis and Felix LoStracco wrote Chapter 1, with assistance from Mark Booth and Jo Ann Vines. David Brauer was the lead author for Chapter 2. Mark Booth and Thomas Woodward wrote Chapter 3. Ellen Hays and Barry Blom wrote Chapter 4. Robert Dennis and Frank Russek wrote Chapter 5, with assistance from Ufuk Demiroglu. Sandy Davis and Felix LoStracco wrote Appendix A. Adaeze Enekwechi wrote Appendixes B, C, and F. Barry Blom wrote Appendix D. Jennifer Smith produced the glossary.

Until he left the agency in early January, former CBO Director Dan L. Crippen directed the analytical work that supports this report.

Christine Bogusz, Leah Mazade, John Skeen, and Christian Spoor edited the report. Marion Curry, Linda Lewis Harris, and Denise Williams assisted in its preparation. Kathryn Winstead prepared the report for publication, with assistance from Sharon Corbin-Jallow, and Annette Kalicki, with help from Martina Wojak-Piotrow, produced the electronic versions for CBO's Web site (www.cbo.gov).



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Acting Director

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